

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN OF PENNSYLVANIA**

**IN RE: NATIONAL FOOTBALL
LEAGUE PLAYERS' CONCUSSION
LITIGATION**

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No. 12-md-2323 (AB)

MDL No. 2323

**THIS DOCUMENT RELATES TO:
ALL ACTIONS**

DECLARATION OF KENNETH G. MCCOIN, PH.D., C.F.A.

1. My name is Kenneth G. McCain, PH.D., C.F.A. I have personal knowledge of the facts stated herein, they are true and correct, and I am competent in all respects to make this Declaration.

2. I submit this declaration in connection with Settlement Class Members Melvin Aldridge, Trevor Cobb, Jerry W. Davis, Michael Dumas, Corris Ervin, Robert Evans, Anthony Guillory, Wilmer K. Hicks, Jr., Richard Johnson, Ryan McCoy, Emanuel McNeil, Robert Pollard, Frankie Smith, Tyrone Smith, James A. Young Sr., and Baldwin Malcom Frank (collectively, the "Alexander Objectors") objection to the approval of *Co-Lead Class Counsels' Petition For An Award of Attorneys' Fees, Reimbursement of Costs and Expenses, Adoption of A Set-Aside of Each Five Percent of Each Monetary Award and Derivative Claimant Award, and Case Contribution Awards to Class Representatives and Memorandum of Law In Support* (the "Motion"). I hold all of the opinions set forth herein to a reasonable degree of scientific certainty.

3. I am the president of Waterford International Asset Management, Inc. and have over 45 years of experience performing economic and financial analysis. My formal education includes a Bachelor of Business Administration from the University of Houston (1970); and a Ph.D. from the University of Houston in the areas of macroeconomics, micro-economics, econometrics, monetary economics, corporation finance and investments (1974). In 1976, I completed the Investment Management Program at Stanford University; and following that, in 1979, I became a Chartered Financial Analyst. I taught graduate level courses in economics and finance classes for 30 years at University of Houston, Rice University and Houston Baptist University. I worked as an investment advisor and served as chief economist for American General Insurance in Houston. I have also served as an expert in litigation concerning personal injury, wrongful death, wrongful termination, and commercial disputes. I am a member of various professional associations. A copy of my CV Is attached to this declaration as Exhibit 1.

4. I have been asked by the Alexander Objectors to undertake an analysis to determine the present-day value of the alleged benefit of nearly \$1.2 billion that Plaintiffs' Counsel's claims to have secured for the Class as reflected in their Motion as compared to the attorneys' fees Plaintiffs' Counsel seeks. The majority of the attorneys' fees sought by Plaintiffs'

Exhibit A

Counsel are in present-value while most of the alleged benefits conferred are expressed in future-value. This analysis has been undertaken to compare the attorneys' fees to the alleged benefits to be conferred using present-day value, so that the comparison is an apples to apples comparison.

5. According to the Motion, Plaintiffs' Counsel claims to have secured the following monetary benefits for the Class¹:

BENEFIT	AMOUNT/VALUE	SOURCE
Monetary Award Fund	\$950,000,000	ECF No. 6167, at 4 (NFL Concussion Liability Forecast)
Baseline Assessment Program	\$75,000,000	Settlement §23.1(b)
Education Fund	\$10,000,000	Settlement §23.1(c)
Notice Costs	\$4,000,000	Settlement §14.1(b)
Claims Administration	\$11,925,000	Decl. of Orran Brown, Sr.
Attorneys' Fees Provision	\$112,500,000	Sec. §21.1
TOTAL:	\$1,163,425,000	

6. Utilizing the Nominal Amounts found in the Motion² and the Declaration of Thomas Vasquez³, below is a comparative chart that provides the present-day value assessment for each of the alleged future benefits to be conferred:

Benefit	Nominal Amount		Present-Day Value	
Monetary Award Fund	\$945,500,000 ⁴	90.4%	\$519,400,000 ⁵	85.5%
Baseline Assessment Program	\$75,000,000 ⁶	7.2%	\$68,017,007	11.2%
Education Fund	\$10,000,000 ⁷	1.0%	\$10,000,000	1.6%
Notice Costs	\$4,000,000 ⁸	0.4%	\$4,000,000	0.7%
Claims Administration	\$11,925,000 ⁹	1.1%	\$5,864,270	1.0%
Total Benefit	\$1,046,425,000	100%	\$607,281,278	100%

The methodology employed to calculate the present-day value is the same as that identified in the Vasquez Declaration.¹⁰ I have assumed a real rate of interest of 2.5%-a 4.5% nominal yield and an underlying inflation rate of 2.0%.

¹ The Motion, Doc. #7151-1, at p. 34.

² The Motion, Doc. #7151-1, at p. 34. and

³ Vasquez Declaration, Doc. #6423-21, at Exhibit B, p. 6, Table 2-2.

⁴ Vasquez Declaration, Doc. #6423-21, at Exhibit B, p. 6, Table 2-2.

⁵ Vasquez Declaration, Doc. #6423-21, at Exhibit B, p. 49.

⁶ The Motion, Doc. # 7151-1, at p. 34. To arrive at the discount rate for the Baseline Assessment Program, I assumed \$35,000 was funded initially, with an additional \$40,000,000 funded in equal annual payments of \$2,666,666.66 over 15 years.

⁷ The Motion, Doc. # 7151-1, at p. 34.

⁸ The Motion, Doc. # 7151-1, at p. 34.

⁹ The Motion, Doc. # 7151-1, at p. 34. To arrive at the discount rate for the Claims Administration Program, I assumed \$11,925,000 was funded in equal annual payments of \$183,461.53 for 65 years.

¹⁰ Vasquez Declaration, Doc. #6423-21, at Exhibit B, p. 35.

7. Plaintiffs' Counsel's Motion ignores the 5% holdback for attorneys' fees with respect to fees Plaintiffs' Counsel seeks from the Monetary Award Fund ("MAF") over the life of the settlement. As represented by Plaintiffs' Counsel, the present-day value of the MAF is \$519,400,000.¹¹ At 5% and reduced to present-day value, the holdback attorneys' fees total \$25,970,000.

Attorneys' Fees	Nominal Amount		Present-Day Value	
Attorneys' Fees Provision	\$112,500,000 ¹²	10.8%	\$112,500,000	18.5%
Attorneys' Holdback Fees	\$45,470,000	4.5%	\$25,970,000	4.3%
Total Attorney's Fees	\$159,775,000	15.3%	\$138,470,000	22.8%

8 If the present-day value of the alleged benefits to be conferred to the Class is \$607,281,278 then the total attorneys' fee being sought by Plaintiffs' Counsel reflected in present-value dollars is \$138,470,000, which is 22.8% of the total alleged benefits to be conferred to the Class and not 9% as represented in the Motion.

9. I declare under the penalty of perjury that the foregoing is true and correct.

Dated: March 23, 2017
Houston, Texas


KENNEH G. MCCOIN, PH.D., C.F.A.

¹² The Attorneys' Fees Provision is present-day value.

R E S U M E

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PRESENT ACTIVITIES: President, Waterford International Asset Management, Inc. (4/88 to present). Economic and financial analysis.

PROFESSIONAL EXPERIENCE: Principal, Private Equity, Inc. (9/81 to 9/87). Private Equity NASD direct participation broker/dealer.

President (3/78 – 9/81) Mosher, McCoin & Sims, Inc., investment advisors.

Chief Economist (1976-1978), Economist (1974-1976)
American General Capital Management, Inc. Investment advisors and mutual fund managers.

TEACHING EXPERIENCE: Adjunct Professor Business and Economics, Houston Baptist University, 1978-2006. Courses taught: investments, corporate finance.

Lecturer in Administrative Science, Jess H. Jones School of Administration, Rice University 1985-1986.

Lecturer in Finance and Economics, University of Houston, 1975 to 1985. Instructor of Finance 1971-1974, Teaching Fellow, University of Houston 1970-1971. Subjects taught (graduate and under-graduate): corporation finance, money and banking, managerial economics, investments, micro-economics.

Program Director, Intensive Management Development Institute, Houston, Texas. Financial management instruction for corporations.

EDUCATION:

Chartered Financial Analyst, 1979

Investment Management Program Stanford University, 1976

Ph.D. (1974) University of Houston. Areas of Defense: macroeconomics, micro-economics, econometrics, monetary economics, corporation finance and investments. Dissertation: The Relative Performance of Open-End Investment Companies During Periods of Rising and Falling Securities Prices, 1974.

B.B.A. (1970) University of Houston Major: Finance

PUBLICATIONS:

"The Bond Refunding Decision: One Face or Two?" Journal of Finance, March, 1977, (with T. H. Mayor)

"The Rate of Discount in Bond Refunding," Financial Management, Autumn, 1974 (with T. H. Mayor).

Instructor's Manual Security Analysis and Portfolio Management, Holt, Rinehart, and Winston, 1971.

PRESENTED PAPERS:

"Inflation, Common Stock Prices, and Financial Planning", International Association of Financial Planners, Connecticut and Western Massachusetts Chapters, Hartford, Connecticut, May, 1976.

"Inflation and Common Stock Prices: 1976 and Beyond", Houston, Chapter, National Association of Business Economists, April 1976.

"The inflation Outlook for 1976", Houston Chapter, National Association of Business Economists, October, 1975.

"Wall Street and The Pension Reform Act of 1974: Implications for Labor Managers", Ad Hoc Association of Directors of Human Relations, Motorola Executive Institute, Oracle, Arizona May 1975.

"Discriminate Analysis of Consumer Credit Applications", Managers and Directors Annual Conference – Texas Credit Union League, March, 1972, Houston, Texas

TEACHING AWARD:

Outstanding Faculty Award 2001-2002, Houston Baptist University, Professional MBA Program.

HONOR SOCIETIES:

Omicron Delta Epsilon (International Honor Society in Economics)

Beta Gamma Sigma (Honor Society in Business Administration)

PROFESSIONAL SERVICE:

Economic Studies Committee, Investment Company Institute, Washington, D.C. The committee is chartered to study and assess the impact of developments in the economy and in the financial markets on investment companies.

Abstractor: Financial Analyst Digest, 1990

Faculty member 4th Annual Advanced Expert Witness Course, State Bar of Texas, February 2004

PROFESSIONAL ASSOCIATIONS: American Economic Association

American Finance Association

Houston Society of Financial Analysts

Financial Analysts Association

National Association of Business Economists

President Houston Chapter 1977

Vice-President, Houston Chapter 1976